

Message Text

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LAB-04 EPG-02 SIL-01 OMB-01 ACDA-10 AGRE-00 STR-04
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SUBJECT: COMMITTEE ON REVIEW AND APPRAISAL (FOURTH SESSION) --
GENERAL DEBATE

REF USUN 1678

1. SUMMARY: THIS TELEGRAM REVIEWS SOME OF THE MAIN THEMES
DEVELOPED AT THE SESSION. MOST DELEGATES REGISTERED DIS-
APPOINTMENT WITH LDC PROGRESS, ESPECIALLY THAT OF THE POORER
LDC'S. FOR LDC'S AND SOME OTHERS THE NIEO AND CERDS ARE NOW
REGARDED AS ESSENTIAL AMPLIFICATIONS OF THE IDS BUT DO NOT
COMPLETELY REPLACE IT. THE G-77 MAINTAINED THEIR UNITY AT
THE SESSION AND RESISTED APPROACHES THAT TENDED TO DIFFEREN-
TIATE LDC'S. SOVIET BLOC BLAMED LDC PROBLEMS ON CAPITALIST
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SYSTEMS. BUT USSR NOTED NEED FOR LDC'S IMPROVE SOCIAL SITUA-
TION AND GIVE MORE EMPHASIS TO INCOME DISTRIBUTION AND
EMPLOYMENT. OPEC DELEGATIONS INSISTED OIL PRICE INCREASES NOT
RESPONSIBLE FOR ANY LDC PROBLEMS. SOME LDCS WILLING
CONSIDER BASIC NEEDS STRATEGIES, BUT MOST EMPHASIZED
MOST OF THEIR PROBLEMS RELATED TO THE FAILURE OF DEVELOPED
COUNTRIES TO MEET IDS TARGETS FOR AID AND FAILURE IMPLE-

MENT NIEO. END SUMMARY.

2. DURING THE COURSE OF THE FOURTH SESSION THE COMMITTEE HEARD STATEMENTS OF 35 SPEAKERS ON THE SUBSTANTIVE AGENDA ITEM. ASSESSMENT OF THE PROGRESS MADE IN THE IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTIONS 2626 (XXV), 3202 (S-VI), 3281 (XXIX) AND 3362 (S-VII) ENTITLED "INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND UNITED NATIONS DEVELOPMENT DECADE," "PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER," "CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES," AND "DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION," RESPECTIVELY. SUMMARIES OF THE OPENING STATEMENTS OF THE CHAIRMAN (HASHMI, INDIA), THE SECRETARIAT (TALWAR) AND THE US (KAUFFMAN) WERE REPORTED EARLIER IN REFTEL. SUBSEQUENT PRESENTATIONS WERE MADE BY REPRESENTATIVES OF 26 NATIONS AND 6 ORGANIZATIONS (IMF, WORLD BANK, WHO, FAO, ILO, EEC). COUNTRY STATEMENTS WERE DELIVERED BY 5 SOVIET BLOC REPRESENTATIVES, 8 DELEGATES FROM WEO NATIONS AND 13 MEMBERS OF THE G-77. WITH THIS WIDE SPECTRUM OF PARTICIPANTS IT IS DIFFICULT TO GENERALIZE MEANINGFULLY ABOUT THE CHARACTER OF THE DISCUSSIONS, BUT SOME WILL BE REVIEWED HERE. THE OFFICIAL REPORT OF THE SESSION WILL CONTAIN SUMMARY RECORDS OF EACH STATEMENT.

3. OVERALL ASSESSMENT. DELEGATIONS FROM ALL GROUPS REGISTERED DISAPPOINTMENT WITH THE SLOW PACE OF LDC DEVELOPMENT, WITH SPECIAL EMPHASIS ON THE PLIGHT OF THE POORER COUNTRIES WHOSE PER CAPITA INCOMES DURING 1971-1975 ROSE AT LESS THAN ONE PERCENT ANNUALLY. CONCERN UNCLASSIFIED

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WAS EXPRESSED BY REPRESENTATIVES OF ALL GROUPS ABOUT THE SLOW RATE OF GROWTH OF LDC AGRICULTURAL OUTPUT, WHICH ROSE AT ABOUT 2.5 PERCENT A YEAR AGAINST A TARGET OF 4 PERCENT. A NUMBER OF LDCS ALSO FELT THAT MUCH MORE NEEDED TO BE DONE TO FOSTER MORE RAPID PROGRESS IN THE SOCIAL SECTORS, ESPECIALLY HEALTH AND EDUCATION. MANY SPEAKERS EXPRESSED DISAPPOINTMENT WITH THE RATE OF GROWTH OF INDUSTRIAL PRODUCTION IN LDCS.

4. IDS AND NIEO. A VARIETY OF CONFLICTING VIEWS WERE EXPRESSED ABOUT THE CONTINUING SIGNIFICANCE OF THE INTERNATIONAL DEVELOPMENT STRATEGY (IDS) IN VIEW OF CHANGED WORLD CONDITIONS, AND PARTICULARLY IN VIEW OF THE ADOPTION OF THE RESOLUTIONS ON THE NEW INTERNATIONAL ECONOMIC ORDER (NIEO) AND THE CHARTER ON THE ECONOMIC RIGHTS AND DUTIES OF STATES (CERDS). SOME HARD LINE G-77 COUNTRIES (ALGERIA, VENEZUELA) FOLLOWING THE LEAD OF PAPERS PRESENTED TO THE TRADE AND DEVELOPMENT BOARD, 8TH SPECIAL SESSION IN APRIL, TENDED TO WRITE OFF THE IDS AND

TO CONCENTRATE SOLELY ON THE NEED TO IMPLEMENT THE NIEO AND CERDS RESOLUTIONS. THE MAJORITY OF THE LDCS, HOWEVER, AS WELL AS SOME WEOS (NORDICS AND NETHERLANDS) TOOK A MORE MODERATE POSITION, STRESSING THAT THE IDS WAS A PROGRESSIVE, PIONEERING EFFORT AT THE TIME OF ITS ADOPTION, AND THAT THE NIEO AND CERDS MERELY AMPLIFIED AND EXTENDED ITS COVERAGE TO INCLUDE THE NEED FOR STRUCTURAL CHANGES IN INTERNATIONAL ECONOMIC RELATIONSHIPS. MANY LDCS AND THE SOVIET BLOC STATES, HOWEVER, GENERALLY DID STRESS THE OVERRIDING IMPORTANCE OF THE NIEO AND CERDS, AND A NUMBER OF DELEGATIONS CRITICIZED THE SECRETARIAT'S REPORT (E/C.9/L.13) FOR GIVING INSUFFICIENT EMPHASIS TO THEM AS COMPARED TO THE IDS.

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5. DIFFERENTIATION AND DISAGGREGATION. THE SECRETARIAT AND CDP REPORTS DISCUSSED QUANTITATIVE MEASURES OF GROWTH BY DIVIDING LDCS INTO PETROLEUM EXPORTING COUNTRIES AND OTHER COUNTRIES WITH PER CAPITA INCOMES ABOUT AND BELOW \$200 IN 1970. THIS TRIPARTITE DIVISION WAS A USEFUL MEANS OF DIFFERENTIATING COUNTRIES SHOWING QUITE DIFFERENT PERFORMANCE PATTERNS. HOWEVER, A NUMBER OF THE

LDCS, PARTICULARLY THE OPEC NATIONS, WERE DISTRESSED AT THIS DISAGGREGATION BECAUSE IT TENDED TO HIGHLIGHT THE GREAT AND GROWING DISPARITIES WITHIN THE LDCS AND TO BREAK THE UNITY OF THE G-77. FOR THIS REASON MANY G-77 DELEGATES SPOKE AGAINST ANY ATTEMPTS TO USE CRITERIA THAT DIFFERENTIATED GROUPS OF LDCS, EXCEPTING THOSE ALREADY ADOPTED WITHIN THE UN SYSTEM SUCH AS THE LEAST DEVELOPED AND MOST SERIOUSLY AFFECTED. AT THE SAME TIME SOME G-77 REPS
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RECOGNIZED THE NEED FOR DISAGGREGATION IF A TRUE PICTURE OF THE SITUATION OF THE LDCS WAS TO BE OBTAINED. WITHOUT SOME KIND OF BREAK-DOWN OF THIS SORT, ALL QUANTITATIVE RESULTS WOULD BE EXPRESSED AS AVERAGES, AND AVERAGE PERFORMANCE HAS BEEN RELATIVELY GOOD, PRIMARILY BECAUSE OF THE RAPID ADVANCE OF THE OIL EXPORTERS. FOR EXAMPLE, GDP FOR ALL LDCS ROSE AT A RATE OF 5.7 PERCENT AGAINST THE IDS TARGET OF 6 PERCENT. TO RESOLVE THIS DILEMMA THE DELEGATE OF PAKISTAN (QADRUD-DIN) WHO ALSO IS THE G-77 SPOKESMAN, OPINED THAT THERE REALLY WAS NO PROBLEM WITH DISAGGREGATION, SINCE THE RESULTS WOULD SHOW THAT MUCH NEEDED TO BE DONE TO IMPROVE THE PERFORMANCE OF MOST COUNTRIES. WHILE SOME COUNTRIES WOULD SHOW GOOD RESULTS VIS-A-VIS THE IDS TARGETS, TOO MUCH SATISFACTION SHOULD NOT BE TAKEN WITH THIS BECAUSE THE TARGETS WERE QUITE MODEST AND PERHAPS SHOULD BE RAISED.

6. SOVIET BLOC COUNTRIES. A HARD LINE ASSESSMENT WAS MADE BY THE SOVIETS AND ALL OTHER SOVIET BLOC DELEGATES WHO SPOKE. ALL OF THEM STATED THAT THE PROBLEMS OF THE LDCS WERE DUE TO CONTINUING EXPLOITATION BY THE CAPITALIST, NEO-COLONIALIST POWERS, PARTICULARLY BY THE RAPACIOUS, MONOPOLIST MULTI-NATIONALS. AID FROM THE CAPITALISTS WAS A TRAP WHICH BENEFITTED THE MONOPOLISTS AND ENSLAVED THE LDCS. PROFITS AND OTHER PAYMENTS TOOK AWAY MUCH MORE THAN WAS GIVEN, AND THE INSTITUTIONS OF CAPITALISM HELD THE LDCS IN THE BONDS OF DEPENDENCY. FURTHER, THE CRISES OF THE CAPITALIST SYSTEM GREATLY INJURED THE DEPENDENT LDCS. ADVICE WAS TO ASSERT SOVEREIGNTY OVER THEIR OWN RESOURCES AND EMPHASIZE PUBLIC SECTOR ENTERPRISE. THE COMMUNISTS, HOWEVER, ALSO SUGGESTED THE NEED FOR AGRARIAN REFORM, AND THE USSR IN THEIR LENGTHY AND SOMEWHAT SOFTER STATEMENT THAN THOSE DELIVERED BY OTHER EAST EUROPEANS (MOST NOTABLY THE UKRAINE, GDR, CZECHOSLOVAKIA), NOTED THAT ECONOMIC GROWTH DID NOT BRING ABOUT AN IMPROVEMENT IN THE SOCIAL
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SITUATION OF ALL SECTORS OF THE POPULATION. IT WAS NECESSARY THEREFORE TO CONSIDER CAREFULLY QUESTIONS OF INCOME DISTRIBUTION, THE ELIMINATION OF MASS POVERTY, MASS UNEMPLOYMENT AND ACCESS TO EDUCATION AND OTHER SERVICES FOR MEETING URGENT SOCIAL NEEDS.

7. DISARMAMENT AND COMMUNIST AID. ONE THEME DEVELOPED BY ALL COMMUNIST SPEAKERS AND SOME OTHERS WAS THE NEED TO REDUCE ARMS EXPENDITURES AND TO DIRECT SAVINGS TO DEVELOPMENTAL PURPOSES. EAST EUROPEAN SPEAKERS ALSO UNIFORMLY STRESSED THE ROLE OF DETENTE AND PEACEFUL COEXISTENCE. EQUALLY, ALL COMMUNIST REPS STRESSED THE DISINTERESTED NATURE OF THEIR ASSISTANCE AND TRADE WITH THE LDCS. SINCE THEY HAD NO RESPONSIBILITY FOR THE CONDITION OF THE LDCS AND OBTAINED NO GAINS FROM THEIR TARGETS FOR ASSISTANCE OR TO COMPARE THEIR AID IN ANY WAY WITH THAT OF THE CAPITALIST STATES. ON THIS POINT THE COMMUNISTS DISPLAYED PARTICULAR SENSITIVITY AND CLEARLY REJECTED THE SUGGESTION OF SOME LDCS (AS WELL AS SOME WEOS) THAT THEY INDEED SHOULD HAVE SOME RESPONSIBILITY TO ASSIST LDC DEVELOPMENT FINANCIALLY.

8. OPEC. MEMBERS OF OPEC BY AND LARGE REPLAYED FAMILIAR THEMES, STRESSING THE JUSTICE OF THE OIL PRICE HIKES, THE BENEFITS RESULTING FROM THESE IN TERMS OF CONSERVATION OF A SCARCE, EXHAUSTIBLE RESOURCE, THE LACK OF INFLUENCE OF THOSE PRICE INCREASES ON THE DIFFICULTIES EXPERIENCED BY THE WORLD ECONOMY AND THE SIZE AND DISINTERESTED NATURE OF OPEC ECONOMIC ASSISTANCE. CRITICISM WAS LEVELED AT THE SECRETARIAT FOR NOT TAKING SUFFICIENT ACCOUNT OF THESE VIEWS IN THE REPORT (E/C.9/L.13).

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9. LDCS. IN CONTRAST TO STATEMENTS MADE AT THE 8TH SPECIAL SESSION OF THE TDB IN GENEVA IN APRIL, A NUMBER OF LDC DELEGATES SPOKE OF MAJOR LDC RESPONSIBILITIES IN FOSTERING THEIR OWN DEVELOPMENT. A NUMBER OF LDC SPOKESMEN (TUNISIA AND PAKISTAN) WERE WILLING TO ENTERTAIN THE IDEA OF BASIC NEEDS STRATEGIES FOR THEIR OWN NATIONAL DEVELOPMENT. HOWEVER, VIRTUALLY ALL G-77 MEMBERS PLACED THEIR MAIN STRESS ON THE FAILURES OF THE DEVELOPED COUNTRIES TO MEET THE TARGETS FOR OFFICIAL DEVELOPMENT ASSISTANCE AND TO TAKE DECISIVE ACTION IN THE COMMODITY AND TRADE FIELDS. FREQUENT REFERENCE WAS ALSO MADE TO THE FAILURE OF THE INTERNATIONAL MONETARY SYSTEM AND THE LACK OF REFORM BENEFITTING THE LDCS. IN GENERAL THE DEVELOPED COUNTRIES WERE SAID TO LACK THE POLITICAL WILL NEEDED TO IMPLEMENT THE NIEO AND CERDS, AND THIS UNCLASSIFIED

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FAILURE WAS HELD TO BE THE PRIMARY REASON FOR FAILURE OF THE LDCS TO ADVANCE AS THEY SHOULD.

10. THE FUTURE. ONE THEME THAT WAS NOT SYSTEMATICALLY EXPLORED WAS THE RELATIONSHIP OF THIS REVIEW & APPRAISAL TO PREPARATIONS FOR THE 1980'S. ONLY THE DUTCH STATEMENT EMPHASIZED THIS CONNECTION, CALLING EXPLICITLY FOR A NEW STRATEGY TO BE ADOPTED BY 1980 WHICH SHOULD CONTRIBUTE TO THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER. SINCE THE PROBLEMS OF THE SECOND DECADE CENTERED ON LACK OF IMPLEMENTATION, THE DUTCH DELEGATE SUGGESTED GOVERNMENTS CONSIDER ENTERING INTO BINDING COMMITMENTS UNDER A NEW STRATEGY. FOR THIS TO BE REALIZED, HE SAID THAT A TRUE CONSENSUS WOULD BE NEEDED. SOME OTHER STATEMENTS MENTIONED THE NEED TO BENEFIT FROM LESSONS OF THIS DECADE IN PREPARING A NEW STRATEGY, AND G-77 DELEGATES TENDED TO IDENTIFY NIEO AND CERDS AS BEING THE NEW STRATEGY. THE PAKISTANI DELEGATE DID SUGGEST THAT A NEW IDS SHOULD EMPHASIZE GROWTH BASED MORE ON INTERNAL RATHER THAN EXTERNAL DEMAND AS AN IMPORTANT CHARACTERISTIC

OF A NEW IDS.

11. CONCLUSION. WHILE THE MANY STATEMENTS OF NATIONAL DELEGATIONS AND ORGANIZATION REPS BROUGHT OUT A VARIETY OF FACTS, AND, MORE INTERESTINGLY, OF POINTS OF VIEW, THERE WAS LITTLE IN THE WAY OF ORIGINAL CONTRIBUTIONS, AND THE DEBATE DEMONSTRATED THAT ESSENTIAL DIFFERENCES STILL SEPARATE THE VARIOUS GROUPS, MAKING IT EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO GAIN A CONSENSUS ON THE SUCCESSES, AND FAILURES, OF THE DECADE OR THEIR CAUSES AND EFFECTS. THUS THIS COMMITTEE WAS UNABLE EVEN TO AGREE ON A SUMMARY STATEMENT REPORTING ON THE MAIN THEMES OF THE DEBATE (SEE SEPTEL). HOWEVER, WITHIN THE G-77 THERE WAS CONTINUED COHESIVENESS DESPITE SLIGHTLY DIFFERENT APPRAISALS OF INDIVIDUAL G-77 DELEGATIONS. IN PARTICULAR, SOLIDARITY APPEARED TO OBTAIN BETWEEN OPEC

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AND OTHER G-77 STATES. THE G-77 AT THE LAST MINUTE TABLED A PAPER WHICH WILL BE ANNEXED TO THE COMMITTEE'S REPORT (SEE SEPTEL).
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